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PROGRAM Good Morning America

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SUBJECT Files of the CIA and the Oil Crisis

JACK ANDERSON: The files of the Central Intelligence Agency contain a secret history of the world oil crisis, and I've had access to this hidden history.

The determining period came at the end of 1973. The key figures in the drama were the late King Faisal of Saudi Arabia and the Shah of Iran. They controlled the world's two greatest oil reserves. Secret intelligence reports identify the Shah as the leading drummer for a gigantic oil price increase. He seemed to have absolute confidence that the United States would tolerate it. He counted on his close relationship with then-President Richard Nixon and Secretary of State Henry Kissinger.

Now, Kissinger briefed the Shah more regularly than any other foreign leader. The intelligence reports show that Kissinger commiserated with him over his revenue problems. Certainly the Shah heard nothing from Kissinger to indicate that the United States would resist the oil extortion.

But King Faisal took a different view. He had no revenue problems. He also had oil reserves that would last from 100 to 200 years. He wanted the industrial West to be still around to buy it, not destroyed by oil costs it could not absorb.

Secret documents reveal that Faisal and the Shah had a showdown over oil prices at the December 1973 OPEC meeting. But the cautious Faisal was unwilling to stand alone. For a counterweight, he looked to the United States.

Now, the secret papers show that the King told Kissinger that the Saudis would join in blocking a large price